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DE RUEHC #8941 0282009  
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RUEHJA/AMEMBASSY JAKARTA PRIORITY 0000  
RUEHKL/AMEMBASSY KUALA LUMPUR PRIORITY 0000  
RUEHML/AMEMBASSY MANILA PRIORITY 0000  
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RUEHGO/AMEMBASSY RANGOON PRIORITY 0000  
RUEHGP/AMEMBASSY SINGAPORE PRIORITY 0000  
RUEHVN/AMEMBASSY VIENTIANE PRIORITY 0000  
INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 0000  
RUEHIN/AIT TAIPEI PRIORITY 0000

C O N F I D E N T I A L STATE 008941

SIPDIS

E.O. 12958: DECL: 01/28/2020  
TAGS: [CH](#) [ECIN](#) [EFIN](#) [ETRD](#) [PGOV](#) [PREL](#) [XC](#) [ASEAN](#)  
SUBJECT: ACTION REQUEST: ASSESSING ECONOMIC RELATIONS  
BETWEEN ASEAN COUNTRIES AND CHINA

Classified By: Asst. Secretary Kurt M. Campbell for  
reasons 1.4 (b), (d) and (e)

11. (U) This is an ACTION REQUEST. Please see paras  
4, 5, 6 and 7.

12. (C) SUMMARY: The Department is interested in gaining  
a better understanding of growing economic relations  
between China and the rest of East Asia, including the  
proliferation of regional free trade agreements, and  
their potential impact on U.S. influence and economic  
competitiveness in the region. In particular, the  
Department would like to gain a deeper understanding of  
economic relations between the ASEAN countries and China,  
in light of the recent entry into force of the ASEAN-China  
Free Trade Agreement and indications of uneasiness among  
some in Southeast Asia regarding their countries, economic  
relations with China.

To help inform and guide U.S. strategic policy planning  
toward the region, posts are requested to assist with an  
assessment of your host country's views on their economic  
relationship with China, China's growing economic presence  
in the region, and China's use of various tools to increase  
its influence throughout Southeast Asia and the Asia-Pacific  
region. We would appreciate a broad assessment, including  
the views of host governments as well as other key actors  
and opinion makers, and the general public.

Department notes and wishes to thank posts for the valuable  
reporting they have already provided on relations between  
their host countries and China, including in the economic  
arena.

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ACTION REQUEST AND KEY OBJECTIVES  
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13. (C) Department notes growing formal trade and economic  
relations between the countries of the Association of  
Southeast Asian Nations (ASEAN) and China. Of particular  
note is the broad entry into force on January 1, 2010 of  
the ASEAN-China Free Trade Agreement, as well as ongoing  
efforts to increase financial cooperation via the Chiang Mai  
Initiative. At the same time, Department notes reports of  
uneasiness among some in Southeast Asia regarding their  
countries, economic relations and potential negative impacts  
of such ties with China, as illustrated by Indonesia's  
recent request to renegotiate the ASEAN-China FTA, as well  
as with the Chinese economic presence in their countries.

14. (C) Department seeks posts assistance in conducting an assessment of individual ASEAN member countries, views on their evolving economic relationship with China and China,s growing economic presence in Southeast Asia.

15. (C) Post responses could usefully encompass the following issues. The Department requests that posts provide not only assessments and opinions of host governments, but also other key actors and opinion makers, and the general public.

- ASEAN-CHINA FTA

- IMPACT OF CHINA,S CURRENCY POLICY

- CHINESE ECONOMIC PRESENCE IN SOUTHEAST ASIA: opinions on such issues as China,s investment in the host country, foreign assistance, business practices, and expatriate Chinese workers. Please try to delineate, if at all possible, private lending/investment from development assistance.

- CHIANG MAI INITIATIVE: extent to which the Chiang Mai Initiative is seen as a vehicle for increasing China,s influence on regional financial cooperation.

16. (U) Please submit responses by COB, February 12, 2010. POCs for this action are EAP's Rock Cheung and David Rodriguez.

17. (U) The Department welcomes continued reporting on host country views on this matter and deeply appreciates posts' assistance and input.  
CLINTON